United Nations A/73/540/Add.1

General Assembly

Distr.: General
10 December 2018

Original: English

Seventy-third session
Agenda item 22 (a)

Globalization and interdependence: globalization and interdependence

Report of the Second Committee*

Rapporteur: Ms. Anneli **Lepp** (Estonia)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 22 (A/73/540, para. 2). Action on sub-item (a) was taken at the 23rd meeting, on 8 November 2018. An account of the Committee's consideration of the sub-item is contained in the relevant summary record.[1]

II. Consideration of draft resolution A/C.2/73/L.23

2. At the 23rd meeting, on 8 November, the representative of Egypt, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Towards a New International Economic Order" (A/C.2/73/L.23).

3. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

4. Also at the same meeting, the Committee adopted draft resolution A/C.2/73/L.23 by a recorded vote of 114 to 47, with 4 abstentions (see para. 7). The voting was as follows:[2]

* The report of the Committee on this item is being issued in three parts, under the symbols A/73/540, A/73/540/Add.1 and A/73/540/Add.2.

[1] See A/C.2/73/SR.23.

[2] Subsequently, the delegation of Japan informed the Secretariat that it had intended to vote against, and the delegation of Kenya informed the Secretariat that it had intended to vote in favour.

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In favour:

Afghanistan, Algeria, Angola, Antigua and Barbuda, Argentina, Azerbaijan, Bahrain, Bangladesh, Barbados, Belarus, Belize, Bhutan, Bolivia (Plurinational State of), Botswana, Brazil, Brunei Darussalam, Burkina Faso, Cabo Verde, Cambodia, Central African Republic, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eswatini, Ethiopia, Fiji, Gabon, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kiribati, Kuwait, Lao People's Democratic Republic, Lebanon, Liberia, Libya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Micronesia (Federated States of), Mongolia, Morocco, Myanmar, Namibia, Nauru, Nepal, Nicaragua, Nigeria, Oman, Palau, Panama, Papua New Guinea, Paraguay, Philippines, Qatar, Russian Federation, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tome and Principe, Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Islands, South Africa, Sri Lanka, Sudan, Suriname, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Togo, Trinidad and Tobago, Tuvalu, Uganda, United Arab Emirates, United Republic of Tanzania, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Albania, Andorra, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Moldova, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining:

Armenia, Republic of Korea, Tonga, Turkey.

5. Also at the 23rd meeting, before the vote, the representative of the United States of America made a statement in explanation of vote.

6. At the same meeting, after the vote, the representative of Austria made a statement in explanation of vote, on behalf of the States members of the European Union and Albania, Bosnia and Herzegovina, Georgia, Montenegro, the Republic of Moldova, Serbia, the former Yugoslav Republic of Macedonia and Ukraine

III. Recommendation of the Second Committee

7. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Towards a New International Economic Order

The General Assembly,

Bearing in mind the purposes and principles of the Charter of the United Nations to promote the economic advancement and social progress of all peoples,

Recalling the principles of the Declaration on the Establishment of a New International Economic Order and the Programme of Action on the Establishment of a New International Economic Order, as set out in resolutions 3201 (S-VI) and 3202 (S-VI), respectively, adopted by the General Assembly at its sixth special session, on 1 May 1974,

Recalling also its resolutions 63/224 of 19 December 2008, 64/209 of 21 December 2009, 65/167 of 20 December 2010, 67/217 of 21 December 2012, 69/227 of 19 December 2014 and 71/236 of 21 December 2016,

Reaffirming the United Nations Millennium Declaration,[1]

Recalling the high-level plenary meeting of the General Assembly on the Millennium Development Goals and its outcome document,[2]

Recalling also the outcome document of the United Nations Conference on Sustainable Development, entitled "The future we want",[3]

Reaffirming its resolution 70/1 of 25 September 2015, entitled "Transforming our world: the 2030 Agenda for Sustainable Development", in which it adopted a comprehensive, far-reaching and people-centred set of universal and transformative Sustainable Development Goals and targets, its commitment to working tirelessly for the full implementation of the Agenda by 2030, its recognition that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development, its commitment to achieving sustainable development in its three dimensions — economic, social and environmental — in a balanced and integrated manner, and to building upon the achievements of the Millennium Development Goals and seeking to address their unfinished business,

Reaffirming also its resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it, helps to contextualize its means of implementation targets with concrete policies and actions, and reaffirms the strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity,

Recalling the outcomes of the major United Nations conferences and summits in the economic, social and related fields, including the development goals and objectives contained therein, and recognizing the vital role played by those

[1] Resolution 55/2.
[2] Resolution 65/1.
[3] Resolution 66/288, annex.

conferences and summits in shaping a broad development vision and in identifying commonly agreed objectives,

Stressing the need to fulfil all financing for development commitments, including those contained in the Monterrey Consensus of the International Conference on Financing for Development,[4] the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,[5] the Addis Ababa Action Agenda and other relevant outcomes of major United Nations conferences and summits,

Noting that there have been systemic challenges to the global economic architecture, demanding a review of global economic governance, calling for the reform of the international financial system and the relevant institutions, broadening and strengthening of the voice and participation of developing countries in international economic decision-making and norm-setting and in global economic governance, recognizing that it is important that the International Monetary Fund continue to be adequately resourced, and supporting and reiterating its commitment to further governance reform at both the Fund and the World Bank to adapt to changes in the global economy,

Concerned about the multiple interrelated and mutually exacerbating current global crises, in particular the world financial and economic crisis, volatile energy and commodity prices, the food crisis and the challenges posed by climate change, which have a negative impact on the development prospects of developing countries and threaten to further widen the gap between developed and developing countries, including the technological and income gap, and which could further undermine the achievement of the internationally agreed development goals, including the Sustainable Development Goals,

Concerned also, in this regard, that, although certain regions have made some progress, more than half of the workers in the developing world, about 1.5 billion people, live in vulnerable employment situations, that approximately one in five people in the developing regions live on less than 1.25 United States dollars a day, that 783 million people still live below the international poverty line and that the number of undernourished people has been on the rise since 2014, reaching an estimated 815 million in 2016,

Concerned further about recent economic developments in the context of the continued challenges to achieving sustained economic growth, in which persistently high levels of inequality pose a challenge to robust growth and sustainable development, declining private investment in infrastructure highlights the obstacles to bridging the infrastructure financing gap and advancing the long-term financing of sustainable development, emerging debt challenges and vulnerabilities have intensified across developing countries, global exchange rate volatility has intensified and global inflationary trends have diverged, and that the weak prospects for the global economy put at risk vital public investment in education, health and action on climate change, as well as progress in poverty eradication, especially in developing countries,

Concerned that billions of the world's citizens continue to live in poverty and are denied a life of dignity and that there are rising inequalities within and among countries and enormous disparities of opportunity, wealth and power,

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[4] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18–22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[5] Resolution 63/239, annex.

Stressing the lack of strong coordinated international response in dealing with the challenges referred to above, illustrating that the calls made in the Declaration and the Programme of Action on the Establishment of a New International Economic Order are still highly relevant,

Underlining the need for a more sustainable economic growth and recovery, and recognizing that this goal can be achieved through inclusive multilateralism and the equal participation of all countries, as envisioned, inter alia, in the Declaration and the Programme of Action on the Establishment of a New International Economic Order,

Recognizing that innovative and enhanced approaches to financing for development are needed to address the challenges posed by the current global economic situation, poverty and the achievement of the internationally agreed development goals, including the Sustainable Development Goals, and stressing that these approaches should neither be a substitute for nor negatively affect the level of traditional sources of development financing, including official development assistance, and that they need to be developed in a spirit of partnership, cooperation and solidarity, bearing in mind the common interests and national priorities of each country,

Recognizing also that many relevant aspects of the Programme of Action on the Establishment of a New International Economic Order have not been implemented and that, consequently, many developing countries continue to face significant challenges to their development prospects, including vulnerability to external shocks and lack of adequate representation in global economic governance,

Recognizing further the role played by regional, subregional and interregional cooperation as well as regional economic integration, based on equality of partnership, in strengthening international cooperation with the objective of facilitating economic coordination and cooperation for development, the achievement of development goals and the sharing of best practices and knowledge,

Recognizing that widespread financial deregulation has contributed to larger net capital outflows from developing countries to developed countries,

Noting with deep concern the impact of illicit financial flows on the economic, social and political stability and development of developing countries,

Concerned that excessively expansionary monetary policies and the ensuing competitive currency devaluations pursued by developed countries have an effect equivalent to an across-the-board export subsidy and a generalized increase in import tariffs, which thus nullify or impair existing World Trade Organization market access commitments and further hinder the capacity of developing countries to fulfil their commitments to implement all the internationally agreed development goals, including the Sustainable Development Goals,

Stressing the need for policy space to allow for the formulation of national development strategies by developing countries, aimed at bringing prosperity for all,

Concerned with the increasing protectionist measures and adoption of inward-looking policies that undermine the multilateral trading system and increase the vulnerabilities of developing countries, and emphasizing the importance of promoting an open world economy and generating greater positive effects of globalization,

Emphasizing that multilateralism, including a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system, is the most appropriate platform of international cooperation for addressing the challenges facing humanity,

Concerned about the financial risks associated with ongoing monetary policy adjustments in developed countries, which could induce instability in the international monetary system, leading to exchange rate depreciation and unsustainable levels of external debt in many developing and emerging economies,

1. *Takes note* of the report of the Secretary-General;[6]

2. *Notes* that the 2030 Agenda for Sustainable Development,[7] the Addis Ababa Action Agenda of the Third International Conference on Financing for Development[8] and the Paris Agreement adopted under the United Nations Framework Convention on Climate Change[9] carry forward many of the ideas and recommendations of the Declaration on the Establishment of a New International Economic Order[10] and the Programme of Action on the Establishment of a New International Economic Order;[11]

3. *Reaffirms* the need to continue working towards a new international economic order based on the principles of equity, sovereign equality, interdependence, common interest, cooperation and solidarity among all States;

4. *Reiterates* that States are strongly urged to refrain from promulgating and applying any unilateral economic, financial or trade measures not in accordance with international law and the Charter of the United Nations that impede the full achievement of economic and social development, particularly in developing countries;

5. *Reaffirms* that national development efforts need to be supported by an enabling international economic environment, including coherent and mutually supporting world trade, monetary and financial systems and strengthened and enhanced global economic governance, as well as by respect for each country's policy space;

6. *Also reaffirms* the need to step up coordination of macroeconomic policies among countries to avoid negative spillover effects, especially in developing countries;

7. *Calls for* the fulfilment of the commitment to pursue policy coherence and an enabling environment for sustainable development at all levels and by all actors and to reinvigorate the Global Partnership for Sustainable Development;

8. *Reaffirms* the recommitment to broadening and strengthening the voice and participation of developing countries, including African countries, the least developed countries, landlocked developing countries, small island developing States and middle-income countries, as well as countries and peoples under foreign occupation, in international economic decision-making, norm-setting and global economic governance, including the need to make the international financial system and the relevant institutions more responsive to the needs and concerns of developing countries;

9. *Also reaffirms* the necessity to respect the territorial integrity, national sovereignty and political independence of States;

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[6] A/73/290.

[7] Resolution 70/1.

[8] Resolution 69/313, annex.

[9] See FCCC/CP/2015/10/Add.1, decision 1/CP.21, annex.

[10] Resolution 3201 (S-VI).

[11] Resolution 3202 (S-VI).

10. *Calls upon* States to strengthen cooperation, including through relevant organizations of the United Nations system and other relevant regional or international forums, to combat illicit financial flows in all their forms;

11. *Reaffirms* that international trade is an engine for development and sustained economic growth, as well as the eradication of poverty in all its forms and dimensions, and also reaffirms the critical role that a universal, rules-based, open, non-discriminatory and equitable multilateral trading system can play in stimulating economic growth and development worldwide, thereby benefiting all countries at all stages of development;

12. *Stresses* the need to explore the means and instruments needed to achieve debt sustainability and the measures necessary to reduce the indebtedness of developing countries;

13. *Reiterates* the significance of addressing the constraints on technology transfer to developing countries, including the transfer of sound technology from developed countries to developing countries on favourable terms, including on concessional and preferential terms;

14. *Decides* to continue considering the international economic situation and its impact on development at its seventy-fifth session, and in that regard requests the Secretary-General to include in his report to the General Assembly, under the item entitled "Globalization and interdependence", an updated overview of the major international economic and policy challenges for equitable and inclusive sustained economic growth and sustainable development and of the role of the United Nations in addressing those issues, as well as possible ways and means to overcome those challenges, bearing in mind the outcomes of the major United Nations conferences and summits in the economic, social and related fields and the principles contained therein, and the 2030 Agenda for Sustainable Development, in the light of the relevant principles contained in the Declaration and the Programme of Action on the Establishment of a New International Economic Order.